

THIS DISPOSITION IS NOT
CITABLE AS PRECEDENT OF THE TTAB JUNE 23, 00

U.S. DEPARTMENT OF COMMERCE
PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Psychological Consultants to Management
v.
Krout & Schneider, Inc.

Opposition No. 109,057
to application Serial No. 74/680,639
filed on May 26, 1995

Kathleen A. Pasulka of Brown, Martin, Haller & McClain for
Psychological Consultants to Management.

Don B. Finkelstein for Krout & Schneider, Inc.

Before Simms, Hairston and Walters, Administrative Trademark
Judges.

Opinion by Simms, Administrative Trademark Judge:

Psychological Consultants to Management (opposer), a
California partnership, has opposed the application of Krout
& Schneider, Inc. (applicant), a California corporation, to
register the mark SMARTHIRE for pre-employment background
screening services.¹ In the notice of opposition, opposer
asserts use of the mark SMARTHIRE since September 1994 for

¹ Application Serial No. 74/680,639, filed May 26, 1995, based
upon use since March 13, 1995, and use in commerce since April
20, 1995.

computer software in the field of employment; pleads that it is the owner of an application to register this mark (Serial No. 75/290,734, filed May 12, 1997); and further asserts that applicant's mark so resembles opposer's previously used mark as to be likely to cause confusion, to cause mistake or to deceive.

Applicant, in its answer, has denied the essential allegations of the opposition, and has asserted that it has superior rights. Applicant has also asserted a number of affirmative defenses including laches, estoppel, acquiescence and unclean hands. More particularly, applicant asserts that opposer knew of applicant's rights but failed to take any action.²

The record of this case consists of both parties' applications, submitted pursuant to opposer's notice of reliance; and testimony (and exhibits) submitted by both parties.³ The parties have submitted briefs but no oral hearing was requested.

Opposer's Use

According to the testimony of Dr. Alan Davidson, the principal partner and manager of opposer, opposer's firm

² No testimony or evidence was offered on these defenses and we therefore need not further consider them.

³ Applicant is correct when it states in its brief that its application is automatically of record and need not be introduced by notice of reliance, as opposer has done. See Trademark Rule 2.122(b)(1). Opposer's application has been refused in light of applicant's previously filed application, and opposer's

consists of industrial organizational psychologists who offer a broad range of consulting services such as seminars and training relating to interviewing and selecting employees. For a number of years, opposer has marketed a software product that automates the interviewing process to assist people in making correct hiring and promoting decisions. Opposer's customers are both private and public sector companies or organizations that have a need to hire people. More particularly, these customers consist of hiring managers or supervisors.

Opposer's software is sold through mail order, by resellers, at trade shows and from opposer's Internet Web site. Opposer advertises its software product in such publications as HR Magazine, a trade publication.

According to Dr. Davidson's testimony, opposer began developing its software in late 1992, and hired programmers in early 1993 to begin work on the software. The mark SmartHire was first used on so-called beta or test copies of the DOS (disk operating system) version of the software in the summer or fall of 1993 (Davidson first dep., 92, 93, 95, 102). These test copies of opposer's software programs were distributed to companies that had sent representatives to its training sessions. Perhaps only two dozen or so floppy disks were distributed in this manner. Davidson first dep.,

application is now suspended pending the outcome of this

94. See exhibit 2 below, mailed January 1994, according to Dr. Davidson's first deposition, 68, and second deposition, 23, 36.

Later Dr. Davidson testified that 100 to 200 copies of this version were distributed, most given away as test copies but a small number sold. Davidson second dep., 19. The mark SmartHire first appeared on opposer's Web site in late 1994 or early 1995. Davidson first dep., 60. A subsequent version, 2.1 for Windows, was shipped in the summer of 1995 or October 1995. Davidson first dep., 74-75, Davidson second dep., 36. See exhibit 7 below. Davidson first dep., 71.

Applicant's Use

According to applicant's chairman of the board, Mr. Eddy McClain, applicant is a licensed investigation firm founded in 1927. Applicant employs fewer than 100 employees with offices located in San Francisco, Los Angeles and San Diego. Applicant's pre-employment background screening services involve the checking of references of potential employees as well as review of court and other public records. Applicant offers these services to law firms, insurance companies and corporations. Applicant advertises its SMARTHIRE services in trade publications and by means of direct mail to human resource directors and employment attorneys. Applicant has also promoted its services at trade shows. Applicant is aware of no instances of actual confusion involving the respective marks.

Applicant's record includes sample letters (a portion of which is reproduced below) promoting its SMART HIRING (not SMARTHIRE) workshops in 1993 and 1994.

The record also includes a March 1995 letter (exhibit 7) concerning the establishment of applicant's SMARTHIRE division, as well as letters issued by this division inviting recipients to attend a workshop sponsored by this SMARTHIRE division. Those workshops took place beginning in May 1995. The record also includes May 1995 advertisements of applicant's SMARTHIRE background screening services.

Arguments of the Parties

Opposer argues that the marks of the parties are substantially identical and that the goods and services are closely related -- opposer's goods being computer software for use in the field of employment while applicant's services are pre-employment background screening services directed to employers. Because opposer's software is a tool to be used in the interviewing process, opposer argues that its goods are related to applicant's services, that they are directed to similar customers (employers) and advertised in the same or similar channels of trade.

With respect to priority, opposer argues that it has used its mark on brochures announcing the introduction of its software as well as on its DOS version of the software since at least as early as January 1994, which use precedes applicant's alleged dates of use set forth in its application as well as the filing date of that application.

Opposer notes that applicant in its application claimed use since March 13, 1995, and that at trial applicant attempted to prove an earlier use (1993 and 1994). However, according to opposer, SMART HIRING is a commercially distinct term from the mark SMARTHIRE. Opposer maintains that the evidence shows that it was not until May 1995 that applicant sponsored a SMARTHIRE screening seminar. Accordingly, opposer argues that, although an applicant may attempt to establish use earlier than that claimed in its application, proof of such earlier use must be by clear and convincing evidence. Opposer argues, brief, 16:

In order for Applicant to show any use before that of Opposer, Applicant would need to "tack" on use of the "Smart Hiring" mark to its later use of "SmarthIRE". Such "tacking" is not proper, since "Smart Hiring" is not the same as "SmarthIRE" and does not have the same commercial impression. While "SmarthIRE" is probably suggestive of Applicant's pre-employment background screening services, "Smart Hiring" definitely borders on being merely descriptive. For this reason, the law does not support this type of tacking.

In support of this argument, opposer cites Pro-Cuts v. Schilz-Price Enterprises Inc., 27 USPQ2d 1224 (TTAB 1993).⁴

While applicant admits that the respective marks are identical (brief, 25), it is applicant's position that there is no confusion because, while applicant is a licensed investigator in California, opposer is not such a business

and does not investigate prospective employees' backgrounds. However, most of applicant's brief is focused on the question of priority.

It is applicant's position that opposer has not produced any evidence of use of its mark in the fall of 1993 or early 1994, and that opposer's uncorroborated oral testimony of use prior to September 1995 is "full of contradictions and inconsistencies and should not be accorded any weight." Brief, 25. More particularly, applicant argues that opposer has failed to produce a "physical unit" of its software so that opposer's testimony is unsupported and not the best evidence. Also, applicant contends that the beta copies of opposer's computer programs were only test copies and that the distribution of only two dozen copies of this software does not rise to the level of bona fide use of the mark. Accordingly, applicant maintains that opposer may not rely upon any use of its asserted mark prior to the summer of 1995 (July 13) or even September 1995.

With respect to applicant's own use, applicant's attorney contends that applicant has priority of the mark SMARTHIRE since March or April 1995 when applicant's advertisement appeared in an edition of HR Magazine, which is assertedly prior to any date on which opposer may rely.

⁴ In opposer's brief, opposer has renewed its motion to strike

Applicant also points to an advertisement in a March 1995 human resources directory. Finally, applicant argues that it is entitled to "tack" use of the term "Smart Hiring" onto its use of SMARTHIRE, making its use as early as June 1993. According to applicant, these marks are "legal equivalent[s]" and convey the "exact same commercial impression." Brief, 16.

Discussion and Opinion

Upon careful consideration of this record and the arguments of the parties, we hold that applicant's mark, used in connection with its services, is likely to cause confusion with opposer's nearly identical mark used in connection with software, and that opposer has established priority.

There is no question but that the respective marks are nearly identical. While opposer's software in the field of employment and applicant's pre-employment background screening services are specifically different goods and services, we fully agree with opposer that applicant's services are sufficiently related to opposer's software and that these goods and services would be offered to a similar class of purchasers. An employer, for example, aware of opposer's SmartHire computer software designed to aid in the hiring and promotion of employees, who then encounters

applicant's testimony. That motion is denied.

applicant's nearly identical mark used in connection with pre-employment background screening of employees, is likely to believe that the services and the software come from the same source.

With respect to the issue of priority, we believe that this record does adequately establish opposer's prior use. Dr. Davidson's testimony, as recounted above, demonstrates use of the SmartHire mark in connection with test versions of opposer's software and in connection with mailings distributed to purchasers and potential purchasers, since at least as early as the summer or fall of 1993, and, at the latest, January 1994. Opposer's limited distribution of its SmartHire software product to customers and potential customers was sufficient, considering the relatively small size of its business, to establish rights in the mark. Opposer's use precedes applicant's use of SMARTHIRE in March 1995. Moreover, we agree with opposer that applicant's asserted mark "SMART HIRING" projects a different and perhaps merely descriptive commercial impression not conveyed by applicant's mark SMARTHIRE. Accordingly, applicant may not tack the use of SMART HIRING onto SMARTHIRE. See, for example, *American Paging Inc. v. American Mobilphone Inc.*, 13 USPQ2d 2036 (TTAB 1989), *aff'd* unpublished, No. 90-1205 (Fed. Cir. November 14, 1990),

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reported at 17 USPQ2d 1726 (no tacking permitted of AMERICAN MOBILPHONE onto AMERICAN MOBILPHONE PAGING).

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Decision: The opposition is sustained and registration to applicant is refused.

R. L. Simms

P. T. Hairston

C. E. Walters
Administrative Trademark
Judges, Trademark Trial
and Appeal